

GUJARAT TECHNOLOGICAL UNIVERSITY**MBA - SEMESTER- IV EXAMINATION – WINTER 2019****Subject Code: 2840005****Date: 29-11-2019****Subject Name: Supply Chain Management****Time: 02.30 PM to 5.30 PM****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

Q1(a) Objective Questions**6**

1. _____ encompasses all activities involved in the transformation of goods from the raw material stage to final stage, when the good and services reach the end customer?
(a) Retailing (b) Supply chain
(c) Marketing (d) Logistics
2. _____ is the time taken by the supply chain to complete all the activities from order to delivery.
(a) Order delivery time (b) Make to order
(c) Configure to order (d) Made to stock
3. The cost involved in control and coordination of internal supply is termed as
(a) Agency cost (b) Transaction cost
(c) learning cost (d) Transportation cost
4. CPFR in supply chain stands for
(a) Collaborative planning, forecasting and replenishment
(b) Coordinating planning, forecasting and replenishment
(c) Combined planning, forecasting and reimbursement
(d) Collaborative planning, forecasting and reimbursement
5. _____ estimates the forecast by applying appropriate weights to recently observed demand and using forecasts for the same period that was carried out before the start of the last period.
(a) Moving average (b) Exponential smoothing
(c) Time-series analysis (d) Simple average forecast
6. Which one of the following is NOT used as a measure for comparing the supply chain performance?
(a) Delivery time (b) losses and damages
(c) Freight cost (d) Variability

Q1(b) Define Terms**4**

1. Economies of scale
2. Tapered Integration
3. Collaborative Relationship
4. Air cargo

Q1(c) Short Answer question**4**

1. What are the inventory control techniques?

Q2.(a) What is supply chain management? What is the importance of supply chain?**7**

- (b) Describe the supply chain involved in making the bar of Dove soap that you have just picked up from your neighborhood retail store?

7

OR

(b) HUL has decided to increase its reach in rural areas. What are the implications of this decision for the department that manages the supply chain for HUL products? 7

Q3.(a) Explain the supply chain performance measures with the help of SCOR model? 7

(b) How is managing a multi-plant International network different from managing a domestic multi-plant network? 7

OR

(a) Explain the sourcing strategy with the help of purchasing portfolio analysis along with suitable examples? 7

(b) Over a period of time Amazon.com has built new warehouses located at geographically different parts of United States of America. Why should an e-retailer need multiple warehouses located at different parts of the country? 7

Q4.(a) Explain the different types of inventory ? 7

(b) How do transport companies benefit from a technology like global positioning system (GPS)? With the help of GPS, can transport companies track their trucks on a real-time basis? 7

OR

(a) Explain the different modes of transportation along with their comparison on supply chain performance measures? 7

(b) What kind of seasonality are you likely to see if you are in any of the following fields? 7

1. ATM
2. Retail chain in metropolitan area
3. Restaurant
4. Consumer durable products

Q5. Case Study 14

MACY'S GOES LOCAL

With the acquisition of May Department Stores in 2005 for \$11.5 billion, Federated Department Stores became the world's largest department store chain. In 2007, Federated Department Stores dropped 11 of the store names (such as Marshall Field's, Robinsons-May, and Kaufmann's) that were used to brand its stores in local markets and renamed those stores as Macy's and the parent chain Macy's, Inc. The Bloomingdale's name and concept remained intact.

Macy's, Inc. hoped that using a standard merchandising strategy throughout the United States would lower merchandise costs because of great bargaining power, enable the chain to utilize national advertising more effectively, and forge a national identity. The unified image and national clout enabled Macy's to attract Martha Stewart and other designers to create a line of products especially for the chain. The Macy's name was used on all of its stores with the exception of Bloomingdale's, which strives to differentiate itself from Macy's stores through a greater emphasis on fashion and sale of merchandise at higher price points.

In its 2007 fiscal year, same-store sales at Macy's, Inc. dropped 1.3 percent from the 2006 level. This sales decline caused Macy's Inc. chief executive officer, Terry Lundgren, to scrap the chain's standardized cookie-cutter merchandising strategy in favor of specifically tailoring merchandise selection. According

to Lundgren, “what the consumer wants in the Galleria of St. Louis is different from what the consumer wants in Portland, Oregon.” As part of the chain’s revamped tailoring strategy, Lundgren wants 15 percent of the merchandise in each store to reflect local tastes and preferences.

As part of its initial 2008 localization strategy, inventory was customized at about one-third of Macy’s stores, including all of the former Marshall Field’s and many other former company stores. Locations in Seattle, Minneapolis, Chicago, Portland, and Salt Lake City were the first stores to be localized. Macy’s strategy in going local is similar to that employed by Best Buy, the electronics retail chain.

Best Buy began to use local strategies in 2004 after identifying four specific types of customers: such as upscale suburban or urban trendsetter. Then Best Buy computed, on a store-by-store basis, which customer groups were the most important. Ross Stores, a national discount-apparel chain, decide to tailor 15 percent of the merchandise in each of its 900 stores as of fall 2018.

Planning and implementing its localized strategy will be especially difficult for Macy’s Inc. Although Lundgren acknowledges that Bloomingdale’s executives at Macy’s, Inc. headquarters “they have clear understanding of what is going on each store,” the Macy’s store division is so large that central management needs” to make sure we are in tune to what it is that the consumer is expecting of us – the product category, the size, or color.”

A single Macy’s store typically stocks between 1.5 and 4 million stock-keeping units. This means that hundreds of thousands of items can be affected by localization. To accomplish localization, 13 executives are now in charge of overseeing the merchandise assortment at a group of 10 department stores. In the past, under the standardized strategy, seven executives were in charge of merchandise assortments in as many as 23 stores.

Questions

1. List and explain the pros and cons of centralized buying for Macy’s.?
2. Explain the role of centralized buying with staple merchandise versus the role of decentralized buying for Macy’s with fashion and seasonal merchandise?
3. List three factors you think Macy’s, Inc. should consider in localizing merchandise by store location?
4. How should Macy’s and Bloomingdale’s merchandising decisions be coordinated?

OR

Case Study

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In recent years, Janata store has become s known retail brand and quite famous for its apparel business. Although it is a well-known name relating to apparels but recently the management brought in several changes in its working system and merchandising management. It is now catering exclusively to the youth. The main focus in on working men and women who are conscious of the latest fashion and trends.

The company identifies prospective customers and sends them high-quality catalogue. The prospective customers then place order by mail or telephone. The target customer mainly comprises young couples who are both working. They have stopped focusing on children’s items and hence they are not included in the list. These couples also get catalogue from other firms such as ABF Ltd., Gooseberry, etc.

This method of sending catalogues is old but a time-tested method and it is still doing well. Customers who are extremely busy and hardly find time to shop at retail outlets consider this as an attractive option. In addition, some people find it prestigious and it adds to their social status.

In order to get connected with the consumers, the store has also started an online portal, janata.com, which provides details about items available in the store and along with it the promotional schemes as well as events related to the store. The width of the product line is similar to that of the catalogue, but the portal along with the information tries to provide a delightful experience to the customers and helps in making it an interactive one.

Janata store has developed a good image and in the customer’s perspective it has one of the best product assortment and it provides better product and a better service. In terms of customer service, Janata store

is particularly known for its logistics such as receiving, packing and shipping items in a well-timed manner and the return policies are “customer friendly”. But recently the company is finding it tough to manage the returned items. It is not only a bothersome factor but also expensive too and thus adversely affects the profitability of the company.

Janata store basically acts like a trader which gets products from the private manufacturers and does not get involved in any sort of manufacturing. For meeting the seasonal needs it imports merchandise from nearby countries such as Bangladesh, Vietnam, Nepal, Sri Lanka and China. It directly transfers the merchandise to its distribution centre in Bengaluru and Delhi after obtaining them in a labeled and pre-tagged condition through surface and water transport (ships and trucks). From there the items are sent to the individual customers by various courier services such as Blue dart and Fed ex.

Everything has been going well for Janata Store. The staff members consider themselves to be one of the best service providers of a good logistics company. According to them, because of these skills in logistics they have made a good name in the market. But the worrisome factor along is that the dynamic change in the taste and preferences of the consumers is resulting in higher level of service requirement and thus adding to the logistics cost of the company. Only a continued ability to react quickly to the changing market needs will separate market leaders from the others.

Questions

1. In what ways should you consider the components of the logistic information system important to Janata Store? What suggestions do you have for improving the company’s logistical information system?
2. What type of logistics challenges do you feel may be associated with the use of customers of the company’s online capability, Janata.com?
3. What macro environmental factor will be critical to Janata store’s future success? In what specific ways can the company develop logistic capabilities to address these factors?
